



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, May 07, 2010

Major Developments

Update: Responders Lower Containment Dome into Gulf of Mexico as Oil Reaches Louisiana Shoreline by May 7

Responders began lowering a 40x24x14 feet steel containment dome to the site of the sunken, leaking MC242 oil well in the U.S. Gulf of Mexico, BP said on May 7. The dome is expected to capture oil as it leaks from the well, and re-route that oil to a drill ship above, but BP officials are unsure just how well it will work since it has never been tried at such a great depth before. BP hoped to start up the dome by early next week, a company official said. Shoreline Cleanup and Assessment Teams confirmed by May 6 that oil had reached the Chandeleur Islands, a small group of uninhabited islands off the northeast of the Mississippi Delta. Officials conducted a successful controlled burn operation for the second consecutive day, according to a May 6 statement from the Deepwater Horizon Incident Joint Information Center. There were nearly 8,500 personnel, 256 vessels, and four remotely operated vehicles responding, as of latest reports. Officials had deployed 788,085 feet of boom, recovered approximately 1.89 million gallons of oil and water mix, and used 267,195 gallons of dispersant.

<http://www.deepwaterhorizonresponse.com/go/doc/2931/537391/>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061907>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/541091/>

<http://www.cnn.com/2010/US/05/07/gulf.oil.spill/index.html?hpt=T2>

http://www.rigzone.com/news/article.asp?a_id=92939

Electricity

PSO Shuts 720 MW Oklaunion Coal-Fired Unit 1 in Texas by May 7

Public Service Co. of Oklahoma (PSO) shut the unit to fix a tube leak, it said in a filing with state regulators. The filing did not say when the unit might return to service.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=139402>

After Brief Shutdown, Luminant to Restart 593 MW Monticello Coal-Fired Unit 2 in Texas

The unit shut on May 6 after an "electric malfunction" led to the "loss of bowl mills," the company said in a filing with state regulators. The company expected to restart the unit later in the day, according to a separate filing.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=139370>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=139372>

Update: Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois at Full Power by May 7

The Nuclear Regulatory Commission reported that on the morning of May 6 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Progress Energy Eyes Third-Quarter Restart for 890 MW Crystal River Nuclear Power Plant in Florida – Company Continues Containment-Wall Repairs

Progress Energy expects to restart its 890 MW Crystal River nuclear power plant in the third quarter of 2010, or months later than previously-planned, the company said by May 6. Workers are repairing the facility's containment wall. The company said in February that it expected to restart the unit about mid-year. The unit shut for refueling in late-September, 2009; it was originally expected to resume service by December 19, the company said previously.

<http://www.reuters.com/article/idUSN0620236920100506?type=marketsNews>

Update: Dominion Virginia Power Selects Mitsubishi Reactor Technology for Potential Third Nuclear Unit at Existing North Anna Power Plant in Virginia

Dominion selected Mitsubishi Heavy Industry's Advanced Pressurized Water Reactor technology for a possible third unit at its North Anna power plant in Virginia, the company said on May 7. The company expects to decide later in 2010 whether to pursue the new unit.

<http://dom.mediaroom.com/index.php?s=43&item=888>

Update: Southern Co. Expects to Equip New Vogtle Nuclear Reactors in South Carolina to Handle Impact of Commercial Airline

<http://www.ajc.com/news/q-a-on-the-521507.html>

Duke Energy to Spend \$15 Billion on Power-Plant Revamps and Transmission Upgrades

Duke Energy plans to spend \$15 billion over the next three years to modernize its power-plant fleet and upgrade its electric transmission system, the company's Chairman said on May 6.

<http://www.duke-energy.com/news/releases/2010050602.asp>

Petroleum

ExxonMobil Reports Exchanger Leak at 348,500 b/d Beaumont, Texas Refinery May 5-6

An unidentified exchanger was leaking to a cooling tower, ExxonMobil said in a filing with state regulators. The company was working to find the source of the leak. It was not clear if the incident had any impact to production.

<http://www.11tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=139363>

<http://www.reuters.com/article/idUSN0611553720100506?type=marketsNews>

Breakdown Triggers Flaring at BP's 265,000 b/d Carson, California Refinery May 6

The company did not say which units were affected, or whether the incident had any impact to production.

http://online.wsj.com/article/BT-CO-20100507-708642.html?mod=WSJ_World_MIDDLEHeadlinesEurope

Update: Citing Pipeline Shutdown, Shell Declares Force Majeure on Nigerian Bonny Crude for May and June, 2010

Shell declared force majeure on Nigerian Bonny crude for the months of May and June, 2010, the company said on May 7. The move came two days after fires and leaks forced the company to shut the 150,000 b/d Trans-Niger oil pipeline, company and news sources said. Shell reduced production by an unspecified amount, and said it was investigating the incident. Responders had stopped some of the fires and leaks, as of latest reports.

<http://af.reuters.com/article/topNews/idAFJOE6460LW20100507>

http://online.wsj.com/article/BT-CO-20100507-711568.html?mod=WSJ_World_MIDDLEHeadlinesEurope

http://www.lse.co.uk/FinanceNews.asp?shareprice=&ArticleCode=gqoejioibqtnvpy&ArticleHeadline=UPDATE_1_Nigeria_pipeline_shut_by_Shell_feeds_150000_bpd

Update: Eni Lifts Force Majeure, Restarts 12,000 b/d of Production in Nigeria May 5

Eni lifted a force majeure and restarted 12,000 b/d of oil production in the Niger Delta, Nigeria on May 5, about one week after the company said a "problem" had forced offline about 12,000 boe/d of company-owned production.

Trading sources said previously that the slowdown had reduced output by 60,000 b/d. An industry source said a "major attack" on a pipeline was to blame for the disruption, but Eni had not confirmed that information, as of those reports.

http://online.wsj.com/article/BT-CO-20100428-717387.html?mod=WSJ_World_MIDDLEHeadlinesEurope

<http://in.reuters.com/article/oilRpt/idINLDE63R23Q20100428>

<http://www.google.com/hostednews/ap/article/ALeqM5gHJyop68FyJkZy4mhXIgmHhzZRvwD9FHF6TO0>

DRBC Postpones Natural Gas Drilling in Delaware River Basin - Commission Will Establish Regulations Prior to Any Project Approvals

The Delaware River Basin Commission (DRBC) will establish regulations for natural gas well pad projects in shale formations within the Delaware River Basin before it considers any applications to drill, the DRBC said on May 6. It could take six months to one year to adopt new rules, according to a DRBC official. Only one company, however, had applied to the DRBC to drill, according to the Philadelphia Inquirer. The DRBC represents Delaware, New Jersey, New York, Pennsylvania, and the federal government.

http://www.state.nj.us/drbc/newsrel_naturalgas050610.htm

http://www.philly.com/inquirer/breaking/business_breaking/20100506_Some_Marcellus_Shale_drilling_put_on_hold.html

PAA Natural Gas Storage Opens 10 Bcf Natural Gas Storage Cavern at Pine Prairie Facility in Louisiana

The cavern increase Pine Prairie's capacity from 14 Bcf to 24 Bcf.

BSW, 09:00 May 6, 2010

Other News

MSHA Orders Six Kentucky Coal Mines to Halt Production during April Inspection Blitz

The U.S. Department of Labor's Mine Safety and Health Administration (MSHA) ordered six underground Kentucky coal mines to halt production, citing numerous citations. The MSHA inspected 57 coal mines in a five-day "blitz" from April 19 to 23. It targeted mines with a history of significant and/or repeat violations of safety standards concerning methane, mine ventilation and rock dusting. The MSHA issued 109 withdrawal/failure to abate orders, 1,339 citations, and six safeguards. To read more about the affected mines, click on the link below.

<http://www.msha.gov/MEDIA/PRESS/2010/NR100506.asp>

Department of Energy Announces \$60 Million for Small Business Clean Energy Innovation Projects May 7

At a White House Energy Innovation meeting today, Under Secretary of Energy Kristina Johnson announced that \$60 million in funding from the American Recovery and Reinvestment Act is available to continue supporting innovative small business research and development leading to deployment of clean energy technologies. This is a Phase II funding opportunity under the Department's Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) program for companies that have already demonstrated successful results with new technologies and can now show potential to meet market needs.

<http://www.energy.gov/news/8953.htm>

Energy Prices

U.S. Oil and Gas Prices			
May 7, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.27	85.49	57.62
NATURAL GAS Henry Hub \$/Million Btu	3.91	4.24	3.67

Source: Reuters

Dominion Virginia Power Reports More than 10,000 Customers Without Power May 7 – Substation Failure Likely to Blame

<http://hamptonroads.com/2010/05/power-restored-suffolk-after-outage-affected-thousands?cid=ltst>

After Five-Month Shutdown, Silicon Valley Power Restarts Cogeneration Power Plant in California by May 4 - Plant Primarily Serves Local Recycling Company

http://www.mercurynews.com/san-jose-neighborhoods/ci_15022803?source=rss

Update: Old Dominion Electric Cooperative Purchases Land for Proposed 1,500 MW Coal-Fired Power Plant in Virginia

<http://www.businessweek.com/ap/financialnews/D9FHEPQG0.htm>

CT&T Plans 10,000 Vehicle/Year Electric-Car Assembly Plant in Hawaii

http://news.yahoo.com/s/ap/20100507/ap_on_bi_ge/us_hawaii_electric_cars_1

Update: California PUC Orders PG&E to Make Public Status Reports Regarding Smart-Meter Program

<http://www.kmir6.com/Global/story.asp?S=12442182>

NRC Calls FPL's 1,700 MW St. Lucie Nuclear Power Plant in Florida "Clean and Safe," but Says One Issue Necessitates Further Agency Oversight

<http://www.tcpalm.com/news/2010/may/04/st-lucie-nuclear-plant-clean-and-safe-with-only/>

South Carolina Attorney General, Duke Energy Reach Deal on Water Permit for Hydroelectric Dams along Catawba River

<http://charlotte.bizjournals.com/charlotte/stories/2010/05/03/daily47.html?ana=yfcpc>

Chevron Reports Hydraulic-Line Snag at 242,901 b/d Richmond, California Refinery May 6

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/6c88ac849fc688ed8825771b0062b72c?OpenDocument>

High Differential Pressure Causes Flaring at Javelina Gas Processing Facility in Texas May 6-7

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=139400>

Compressor Shutdown Triggers Flaring at Waha Gas Plant in Texas May 6

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=139395>

Pump and Compressors Shut Down at Anton CO2 Re-Injection Facility in Texas May 6

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=139394>

Update: State PSC Seeks More Information in South Heart Coal's Bid to Construct Coal Mine and Associated Hydrogen-Based Power Plant in North Dakota

<http://www.google.com/hostednews/ap/article/ALeqM5hkmsx25N21qhhkzq9rWlenrZNSegD9FHE4V00>

Denison Mines Corp. Did Not Receive Federal Approval for Arizona 1 Uranium Mine in Arizona, and is Operating Illegally: EPA

<http://www.kold.com/Global/story.asp?S=12425534>

Update: Fiberight Begins Production at Planned 6 MMGal/Yr. MSW-Based Cellulosic Ethanol Plant in Iowa

http://ethanolproducer.com/article.jsp?article_id=6585

DOE and USDA Announce up to \$33 Million in Funding for Biomass Research and Development Initiative May 6

<http://www.energy.gov/news/8949.htm>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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